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IOWA UTILITIES BOARD
IOWA DEPARTMENT OF COMMERCE

April 25, 2000

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Ms. Magalie R. Salas, Secretary
Federal Communications Commission
TW-A325
445 12th St. SW
Washington, DC 20554

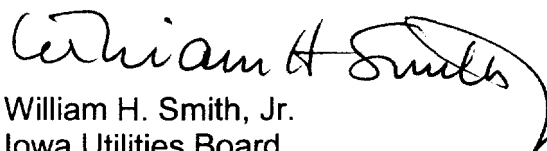
RE: In the Matter Federal, State Joint Board on Universal Service,
CC Docket No. 96-45 and Implementation of the Local Competition
Provisions of the Telecommunications Act of 1996, CC Docket
No. 96-98

Dear Ms. Salas:

Enclosed for filing in the above docket is an original and 11 copies of the Petition by the
Iowa Utilities Board for Temporary Waiver.

One additional copy has been included to be date-stamped and returned in the self-
addressed envelope.

Sincerely,


William H. Smith, Jr.
Iowa Utilities Board

Enclosures

No. of Copies rec'd 11
List ABCDE

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the Matter of Federal-State Joint Board On Universal Service Implementation of the Local Competition Provisions of the Telecommunications Act of 1996	CC DOCKET NO. 96-45 CC DOCKET NO. 96-98
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PETITION BY THE IOWA UTILITIES BOARD FOR TEMPORARY WAIVER

The Iowa Utilities Board (IUB) petitions the Federal Communications Commission (FCC or Commission) for a temporary waiver of the Commission's requirement to create at least three geographic cost-related rate zones for interconnection and unbundled network elements (UNEs) by May 1, 2000. See 47 C.F.R. § 51.507(f) (2000). Specifically, the IUB requests an extension of time to December 31, 2000, to create the required rate zones. The IUB's petition for temporary waiver is filed pursuant to 47 C.F.R. § 1.3 and paragraph 7 of the Commission's stay order in Deaveraged Rate Zones For Unbundled Network Elements, CC Docket No. 96-98, 14 FCC Rcd. 8300, 8300-01 (1999) (the "Stay Order").

47 C.F.R. § 51.507(f) requires that each state commission establish different rates for interconnection and UNEs in at least three defined geographic areas within

the state to reflect geographic cost differences. This deaveraging rule was voluntarily stayed by the Commission on May 7, 1999, in the Stay Order. The stay remained in effect until the Commission issued its recent order in its universal service docket, see In The Matter Of Federal-State Joint Board On Universal Service, "Ninth Report And Order And Eighteenth Order On Reconsideration," FCC Docket 96-45 (Nov. 1999) (the Universal Service Order). In that order, the Commission lifted its stay of the deaveraging rule as of May 2, 2000. See Universal Service Order, ¶¶ 119-120. However, paragraph 7 of the Stay Order contemplates that state commissions may request a waiver of this requirement on a case-by-case basis, depending upon the specific facts and circumstances.

The IUB is the state agency charged with oversight of regulated telecommunications services in Iowa, pursuant to Iowa Code ch. 474 *et seq.* One of the telecommunications companies regulated by the IUB, U S WEST Communications, Inc. (U S West), is a non-rural incumbent local exchange carrier that is subject to the requirements of the deaveraging rule. The IUB set temporary wholesale and UNE rates for U S West in 1997 in arbitration proceedings conducted pursuant to 47 U.S.C. § 251 and final rates in 1998 in state rate making proceedings conducted pursuant to Iowa Code § 476.101 (1997). While those rates are based upon forward-looking costs, they are not geographically-deaveraged into at least three zones, as required by the deaveraging rule.

U S West filed a tariff with the IUB on March 15, 2000, proposing to deaverage its wholesale and UNE prices into three zones based on size of exchange and to begin the process of deaveraging its retail rates in Iowa. The Board has docketed the tariff as a formal contested case proceeding identified as Docket No. RPU-00-1. (A copy of the Board's docketing order is attached hereto as Attachment A.) Three parties have already filed objections to the U S West proposal, raising complex issues regarding U S West's proposed geographic zones, the scope of the required deaveraging, the pricing methodology to be used, and many other questions. It is not possible that all of these issues will be resolved in a time frame that would permit implementation of deaveraged loop rates by May 1, 2000. Accordingly, the Board has docketed the matter as a contested case, with opportunity for discovery, several rounds of prefiled testimony, a formal hearing scheduled to commence on September 26, 2000, and initial and reply briefs. The Board anticipates a written decision may reasonably be expected to issue by December 31, 2000, and the Board is asking for an extension of the Commission's deadline to that date.

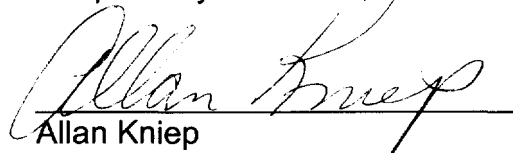
The IUB's petition for temporary waiver is separate from the petition for reconsideration filed in this docket by GTE Florida Incorporated (GTE) on January 3, 2000. In lieu of specific state requests, GTE requests the May 2, 2000, date be extended for all states. The IUB requests that this petition be considered separately from the GTE petition.

The IUB does not file this petition lightly. The IUB has expended significant effort in the creation of a competitive marketplace for local telecommunications services in Iowa. Those efforts began prior to the passage of the federal Telecommunications Act of 1996, based upon state law that requires local exchange carriers to offer unbundled essential facilities to competitive local exchange service providers. See Iowa Code § 476.101. Since 1995, the IUB has adopted rules, decided rate making proceedings and arbitration proceedings, and defended its decisions in court, all in furtherance of a state policy of encouraging competition for all telecommunications services. These efforts have resulted in the beginning of local exchange competition in Iowa. The IUB believes a rushed approach to UNE deaveraging would be an unwise, and ultimately unproductive, use of its resources.

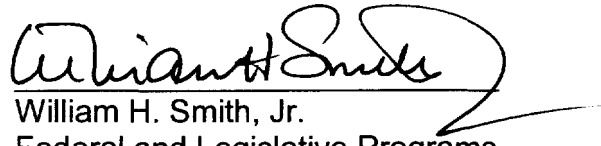
For the reasons stated, the IUB respectfully requests the FCC grant the IUB a limited waiver of the time to implement 47 C.F.R. §51.507(f), from the current date of May 1, 2000, to December 31, 2000.

Dated at Des Moines, Iowa, this 25th day of April, 2000.

Respectfully submitted,


Allan Kniep
General Counsel


David Lynch
Assistant General Counsel


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Coordinator

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